

State: District of Columbia **First Filing Company:** Berkley National Insurance Company, ...
TOI/Sub-TOI: 01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)
Product Name: General Risk Program Commercial Property Coverages
Project Name/Number: CP FPP Filing - Forms Information/BSS-CF-2016-5192-FM-DC-18318

Filing at a Glance

Companies: Berkley National Insurance Company
Berkley Regional Insurance Company
StarNet Insurance Company

Product Name: General Risk Program – Commercial Property Coverages

State: District of Columbia

TOI: 01.0 Property

Sub-TOI: 01.0001 Commercial Property (Fire and Allied Lines)

Filing Type: Form

Date Submitted: 11/09/2016

SERFF Tr Num: BNIC-130779864

SERFF Status: Assigned

State Tr Num:

State Status:

Co Tr Num: BSS-CF-2016-5192-FM-DC-18318

Effective Date: 04/01/2017

Requested (New):

Effective Date: 04/01/2017

Requested (Renewal):

Author(s): Laura Lemke, Ashley Kalkanian

Reviewer(s): Angela King (primary)

Disposition Date:

Disposition Status:

Effective Date (New):

Effective Date (Renewal):

State: District of Columbia
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General Information

Project Name: CP FPP Filing - Forms Information
Project Number: BSS-CF-2016-5192-FM-DC-18318
Reference Organization:
Reference Title:
Filing Status Changed: 11/10/2016
State Status Changed:
Created By: Ashley Kalkanian
Corresponding Filing Tracking Number: BSS-CF-2016-5192-RARU-DC-18563

Status of Filing in Domicile: Pending
Domicile Status Comments:
Reference Number:
Advisory Org. Circular:

Deemer Date:
Submitted By: Ashley Kalkanian

Filing Description:

RE:Berkley National Insurance Company, NAIC #: 0098-38911, FEIN #: 75-2191453
Berkley Regional Insurance Company, NAIC #: 0098-29580, FEIN #: 43-1482586
StarNet Insurance Company, NAIC #: 0098-40045, FEIN #: 22-3590451
General Risk Program – Commercial Property Coverages
CP FPP Filing - Forms Information
Proposed Effective Date: April 1, 2017
Company Filing Number: BSS-CF-2016-5192-FM-DC-18318

Berkley National Insurance Company (BNIC), Berkley Regional Insurance Company (BRIC) and StarNet Insurance Company (SIC) are amending the Commercial Property Coverages under their General Risk Program.

The attached form filing memorandum describes the materials being submitted for your review and approval.

We respectfully request that the proposed materials be implemented for all new and renewal policies effective on or after April 1, 2017.

Please note that this filing is mutually exclusive to all other Programs filed and approved on behalf of the above captioned companies. All other filed and approved programs for the above captioned companies remain on file without change.

Company and Contact

Filing Contact Information

Ashley Kalkanian,
1250 E. Diehl Road
Suite 200
Naperville, IL 60563

akalkanian@wrberkley.com
630-210-0358 [Phone]

State: District of Columbia **First Filing Company:** Berkley National Insurance Company, ...
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Filing Company Information

Berkley Regional Insurance Company	CoCode: 29580	State of Domicile: Delaware
475 Steamboat Road	Group Code: 98	Company Type: Insurance
Greenwich, CT 06830	Group Name: W. R. Berkley Corporation	State ID Number:
(203) 542-3800 ext. [Phone]	FEIN Number: 43-1432586	

StarNet Insurance Company	CoCode: 40045	State of Domicile: Delaware
475 Steamboat Road	Group Code: 98	Company Type: Insurance
Greenwich, CT 06830	Group Name: W. R. Berkley Corporation	State ID Number:
(203) 542-3800 ext. [Phone]	FEIN Number: 22-3590451	

Berkley National Insurance Company	CoCode: 38911	State of Domicile: Iowa
122 W Carpenter Freeway	Group Code: 98	Company Type: Insurance
Suite 350	Group Name: W. R. Berkley Corporation	State ID Number:
Irving, TX 75015	FEIN Number: 75-2191453	
(972) 719-2400 ext. [Phone]		

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State:	District of Columbia	First Filing Company:	Berkley National Insurance Company, ...
TOI/Sub-TOI:	01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)		
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Form Schedule

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		Financial Institutions Property Enhancement Endorsement Schedule	CP DS 83 62	04 17	DEC	New		0.000	CP DS 83 62 04 17 - Financial Institutions Property Enhancement Endorsement Schedule - CW.pdf
2		Financial Institutions Property Enhancement Endorsement	CP 83 62	04 17	END	New		45.000	CP 83 62 04 17 - Financial Institutions Property Enhancement Endorsement - CW.pdf

Form Type Legend:

ABE	Application/Binder/Enrollment	ADV	Advertising
BND	Bond	CER	Certificate
CNR	Canc/NonRen Notice	DEC	Declarations/Schedule
DSC	Disclosure/Notice	END	Endorsement/Amendment/Conditions
ERS	Election/Rejection/Supplemental Applications	OTH	Other

FINANCIAL INSTITUTIONS PROPERTY ENHANCEMENT ENDORSEMENT SCHEDULE

This Schedule provides supplementary information to be used with the following:

FINANCIAL INSTITUTIONS PROPERTY ENHANCEMENT ENDORSEMENT

The following Schedule displays the applicable limits of insurance and deductible amounts for each of the coverage changes, additional coverages, and enhanced coverages contained in the Financial Institutions Property Enhancement Endorsement. The following schedule of coverage amendments is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement along with your entire policy carefully to determine the extent of coverage afforded.

Only when a limit of insurance is shown in the Schedule will that coverage or amendment to coverage apply. The use of "See Declarations" under the Limit of Insurance section below means the coverage is included within, and not in addition to, the applicable Limit of Insurance for the **Covered Property**. The use of "See Declarations" under the Deductible column below means the Deductible applicable to the **Covered Property** applies.

POLICY LEVEL

The following Limits of Insurance apply to all described premises for the Coverage Part as shown in the Schedule of Locations for which a Limit of Insurance is shown on the Property Declarations for Building or Your Business Personal Property, unless "not covered" is shown on this schedule for one or more described premises, or a described premises is scheduled under the "EXCLUDED LOCATIONS" Schedule below.

SCHEDULE

PART I: CHANGES TO BUILDING AND PERSONAL PROPERTY COVERAGE FORM		
Item	Description of Coverage	Amendment
A.	Premises Boundary Increase	Up to 1,000 feet from Premises
B.1.	Property Covered - Building	Expanded
B.2.	Property Covered - Your Business Personal Property	Expanded
C.	Changes to Property Not Covered	Amended

Item	Description of Coverage	Limit of Insurance:	Deductible Per Occurrence
B.1.c.	Foundations and Underground Pipes	\$250,000	See Declarations for Applicable Deductible
D.1.	Debris Removal (50%)	\$100,000	No Deductible
D.2.	Preservation of Property	Up to 180 Days	
D.3.	Fire Department Service Charge	\$25,000	No Deductible
D.4.	Pollutant Clean-up and Removal	\$50,000	No Deductible
D.5.	Ordinance or Law	\$1,000,000	No Deductible
D.6.	Electronic Data	Coverage Amended	
D.7.	Reward Payment	\$50,000	No Deductible
D.8.	Fire Extinguishing Equipment Recharge	Included	See Declarations for Applicable Deductible
D.9.	Leasehold Interest	\$100,000	No Deductible
D.10.	Water Backup of Sewers or Drains	\$100,000	See Declarations for Applicable Deductible

SCHEDULE (Continued)

Item	Description of Coverage	Limit of Insurance:	Deductible
D.11.	Earthquake and Volcanic Eruption for Specified Property	Up to \$1,000,000	\$10,000
D.12.	Flood for Specified Property	Up to \$1,000,000	\$10,000
D.13.	Loss of Master Key	\$25,000	See Declarations for Applicable Deductible
D.14.	Movement of Property	Included	See Declarations for Applicable Deductible
E.1.	Newly Acquired or Constructed Property		
a.	Buildings	\$1,000,000	See Declarations for the highest Property Deductible applicable to Building
b.	Your Business Personal Property	\$1,000,000	See Declarations for the highest Property Deductible applicable to Your Business Personal Property
c.	Period of Coverage	Up to 180 Days	
E.2.	Personal Effects and Property of Others	\$50,000	See Declarations for Applicable Deductible
E.3.	Valuable Papers and Records	\$100,000	See Deductible for Applicable Property on Declarations
E.4.	Personal Property at Other Locations	\$100,000	See Declarations for the highest Property Deductible applicable to Your Business Personal Property
E.5.	Outdoor Property (\$1,000 per tree, shrub, or plant)	\$50,000	See Declarations for Applicable Deductible
E.6.	Personal Property In Transit	\$50,000	See Declarations for Applicable Deductible
E.7.	Personal Property at Exhibitions, Fairs, and Trade Shows	\$25,000	See Declarations for Applicable Deductible
E.8.	Off Premises ATMs and ITMs	\$25,000	\$1,000
E.9.	Fine Arts	\$50,000	See Declarations for Applicable Deductible
E.10.	Theft Damage to Building	Included	See Declarations for Applicable Deductible
E.11.	Accounts Receivable	\$25,000	See Declarations for Applicable Deductible
E.12.	Inventory and Appraisal	\$10,000	No Deductible
E.13.	Salesmen's Samples	\$25,000	See Declarations for Applicable Deductible
E.14.	Newly Acquired Personal Property At A Covered Location	\$250,000	See Declarations for Applicable Deductible
E.15.	Emergency Vacating Expenses	\$25,000	\$250

Item	Description of Coverage	Amendment
F.	Deductible	Waived for Certain Additional Coverages
G.	Loss Conditions	Amendments to Valuation
H.	Inflation Guard	See Declarations
I.	Definitions	Additional Definitions

SCHEDULE (Continued)

PART II: CHANGES TO BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM		
Item	Description of Coverage	Amendment
B.	Premises Boundary Increase	Up to 1,000 feet from Premises
C.	Additional Limitations	Coverage Amended
D.	Extended Business Income – Increased Time Period	365 Consecutive Days
E.	Coinsurance	Suspended
F.	Interruption of Computer Operations	Coverage Amended

Item	Description of Coverage	Limit of Insurance:	Deductible
A.	Business Income and Extra Expense <ul style="list-style-type: none"> • Alterations and New Buildings • Civil Authority • Extended Business Income Other Than Rental Value • Extended Rental Value • Ordinance or Law * or the limit shown on the Declarations, whichever is higher.	\$150,000* Included 4 weeks 365 Days 365 Days Included	See "Period of Restoration"
G.1.	Newly Acquired Properties	\$250,000	See "Period of Restoration"
G.2.	Newly Acquired Properties – Period of Coverage	Up to 180 Days	
H.	Utility Services	\$100,000	See "Period of Restoration"
I.	Ordinance or Law	Included	See "Period of Restoration"
J.	Dependent Properties	\$10,000	See "Period of Restoration"
K.	Contractual Penalties	\$10,000	See "Period of Restoration"
L.	Transit	\$10,000	See "Period of Restoration"
M.1.	Definition – Period of Restoration	Amended	
M.2.	Definition – Dependent Property	Added	

PART III: CHANGES TO CAUSES OF LOSS - SPECIAL FORM	
Item	Description of Coverage
A.	Exceptions to Exclusions
B.	Amendments to Leasehold Interest Exclusions
C.	Additional Exclusions for Additional Coverages and Coverage Extensions
D.	Additional Provisions for Earthquake and Volcanic Eruption for Specified Property
E.	Additional Provisions for Flood for Specified Property
F.	Amendment to Limitations for Fragile Articles

LOCATION LEVEL

The following Location Level Limits of Insurance apply separately to the described premises for the Coverage Part as shown in the Schedule of Locations. For the location shown below, the applicable Limit of Insurance applies to that location, and the Policy Level Limit of Insurance shown above does not apply. If "Not Covered" is shown under the Limit of Insurance section of this Schedule, that Coverage and any applicable limit does not apply to the specified location.

SCHEDULE

PART I: CHANGES TO BUILDING AND PERSONAL PROPERTY COVERAGE FORM				
Loc #	Item	Description of Coverage	Limit of Insurance:	Deductible
	B.1.c.	Foundations and Underground Pipes	\$	See Deductible for Applicable Property on Declarations
	D.1.	Debris Removal (50%)	\$	No Deductible
	D.4.	Pollutant Clean-up and Removal	\$	No Deductible
	D.5.	Ordinance or Law Coverage	\$	No Deductible
	D.9.	Leasehold Interest	\$	
	D.10.	Water Backup of Sewers or Drains	\$	See Declarations for Applicable Deductible
	D.11.	Earthquake and Volcanic Eruption for Specified Property	Up to \$1,000,000	\$10,000
	D.12.	Flood for Specified Property	Up to \$1,000,000	\$10,000
	E.2.	Personal Effects and Property of Others	\$	See Declarations for Applicable Deductible
	E.3.	Valuable Papers and Records	\$	See Declarations for Applicable Deductible
	E.5.	Outdoor Property (\$1,000 per tree, shrub, or plant)	\$	See Declarations for Applicable Deductible
	E.9.	Fine Arts	\$	See Declarations for Applicable Deductible
	E.11.	Accounts Receivable	\$	See Declarations for Applicable Deductible
	E.14	Newly Acquired Property At A Covered Location	\$	See Declarations for Applicable Deductible

PART II: CHANGES TO BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM				
Loc #	Item	Description of Coverage	Limit of Insurance:	Deductible
	H.	Utility Services	\$	See "Period of Restoration"
	I.	Ordinance or Law	\$	See "Period of Restoration"
	J.	Dependent Properties	\$	See "Period of Restoration"
	K.	Contractual Penalties	\$	See "Period of Restoration"
	L.	Transit	\$	See "Period of Restoration"

EXCLUDED LOCATIONS

For those locations specified below, the terms, provisions and conditions of the Financial Institutions Property Enhancement Endorsement and Financial Institutions Property Enhancement Endorsement Schedule do not apply.

SCHEDULE

Loc #

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FINANCIAL INSTITUTIONS PROPERTY ENHANCEMENT ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM
BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

The provisions of the **Building And Personal Property Coverage Form**, the **Causes Of Loss - Special Form**, and the **Business Income (And Extra Expense) Coverage Form** apply, except as otherwise provided in this endorsement.

The Financial Institutions Property Enhancement Endorsement includes coverage language that may be available in the same or substantially similar forms. If a coverage form (other than the Building And Personal Property Coverage Form, the Causes Of Loss - Special Form, and the Business Income (And Extra Expense) Coverage Form), endorsement or exclusion is attached that is redundant or conflicts with the terms and conditions of such coverage on the Financial Institutions Property Enhancement Endorsement, then the coverage provided by the Financial Institutions Property Enhancement Endorsement will not apply to the degree that is redundant with or conflicts with such other coverage form, endorsement or exclusion.

PART I: CHANGES TO BUILDING AND PERSONAL PROPERTY COVERAGE FORM

A. Premises Boundary Increase

Any reference to distance from the building, structure or described premises is changed from 100 feet to 1,000 feet.

B. In the Building And Personal Property Coverage Form, Section A. Coverage, Item 1. Covered Property is amended as follows:

1. Item a. Building is amended as follows:

a. Paragraph (3) is amended to include:

- Permanently installed vaults, lock boxes, night depositories, drive-up windows, automatic teller machines (ATMs) and interactive teller machines (ITMs);

b. Paragraph (4) is amended to include:

- Alarm, communication or monitoring system; and
- Lawn maintenance or snow removal equipment;

c. The following items are added:

- (6)** Building glass (other than art glass windows or stained glass);
- (7)** Signs (whether or not permanently attached to buildings or structures);
- (8)** Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (a)** The lowest basement floor; or
 - (b)** The surface of the ground, if there is no basement;
- (9)** Underground pipes, flues and drains (other than in-ground sprinkler systems and piping); and
- (10)** The cost of excavation, grading, backfilling or filling.

The most we will pay for the property described in subparagraphs **(8)** and **(9)** in any one occurrence is 10% of the building Limit of Insurance at that described premises, or the Foundations and Underground Pipes Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule, whichever is less.

Payment for loss or damage to this property is included within, and not in addition to, the applicable Limit Of Insurance for Building for the described premises as shown in the Declarations.

2. Item **b. Your Business Personal Property** is amended to include the following:

- a. "Electronic data processing equipment", "electronic media" and "electronic data". However, coverage does not apply to equipment, media or data:
 - (1) You distribute or hold for sale; or
 - (2) That cannot be duplicated or replaced with similar property of comparable quality;
- b. Vaults, night depositories, lock boxes, drive-up windows, automatic teller machines (ATMs) and interactive teller machines (ITMs) at a described premises you occupy, but do not own;
- c. Signs at a described premises you occupy, but do not own;
- d. Tenant Glass, meaning building glass (other than art glass windows or stained glass), including encasement, frames, alarm tape, lettering and ornamentation at a described premises for which you are contractually responsible as a tenant;
- e. Alarm, communication or monitoring systems you installed at premises you occupy, but do not own; and
- f. Your Lawn maintenance and snow removal equipment used to maintain premises you occupy but do not own.

Payment for loss or damage to this property is included within, and not in addition to, the applicable Limit Of Insurance for Personal Property for the described premises as shown in the Declarations.

C. In the **Building And Personal Property Coverage Form**, Section **A. Coverage**, Item **2. Property Not Covered** is amended as follows:

1. Paragraph **a.** is deleted and replaced by the following:

- a. Money, accounts, bills, deeds, food stamps, currency, coin, bank notes, Federal Reserve notes, food stamps, money orders, travelers checks, deeds, instruments or contracts that represent money or an interest in property, including but not limited to certified and uncertified securities, negotiable instruments, certificates of deposit, drafts, checks, acceptances, evidence of debt, security agreements, withdrawal orders, certificates of origin or title, letters of credit, warrants, script, manuscripts, contracts, bills of lading, insurance policies, abstracts of title, deeds, and mortgages on real estate, revenue and other stamps, tokens, unsold lottery tickets, books of account and other records, gems, jewelry, precious metals in bars or ingots, , and all other property of a similar nature, except the following as provided for in this endorsement:
 - (1) Accounts Receivable Coverage;
 - (2) Fine Arts Coverage; and
 - (3) Valuable Papers and Records Coverage.

2. Paragraph **d.** does not apply to the extent it conflicts with the coverage provided under Outdoor Property Additional Coverage in this endorsement.

3. Paragraphs **f.** and **g.** do not apply to the extent they conflict with the coverage provided in:

- a. Paragraph **B.1.c.** of this endorsement; or
- b. The Ordinance or Law Additional Coverage in this endorsement.

4. Paragraph **i.** is deleted and replaced by the following:

- i. Property while airborne or waterborne within the Coverage Territory, except the following as provided for in this endorsement for:
 - (1) Accounts Receivable Coverage;
 - (2) "Electronic data processing equipment", "electronic media" and "electronic data";
 - (3) Fine Arts Coverage;
 - (4) Personal Property In Transit Coverage; or
 - (5) Valuable Papers and Records Coverage.

5. Paragraph **j.** does not apply to the extent it conflicts with the coverage provided in:

- a. Ordinance or Law Additional Coverage; or
- b. Outdoor Property Coverage Extension.

6. Paragraph **l.** and **m.** do not apply to the extent that they conflict with the coverage provided in Outdoor Property Coverage Extension.

7. Paragraph **n.** does not apply to the extent it conflicts with the coverage provided in paragraph **B.2.a.** of this endorsement.

8. Paragraph **o.** is deleted and replaced by the following:
 - o.** The cost to research, replace or restore the information on "valuable papers and records", including those which exist as "electronic data" or on "electronic media", except the following as provided for in this endorsement for:
 - (1) Accounts Receivable Coverage;
 - (2) "Electronic media" and "electronic data"; and
 - (3) Valuable Papers and Records Coverage.
9. Subparagraph **(c)** of paragraph **p.** is deleted and replaced by the following:
 - (c) Watercraft that are under 21 feet long or under 25 horsepower and used in your business; or
10. The following are added to **Property Not Covered**:
 - a.** Property you have sold under a conditional sale, trust agreement, installment payment or other deferred payment plan after delivery to customers;
 - b.** Property, other than real property, that is leased to others through a lease financing agreement after delivery to customers;
 - c.** Property that is:
 - (1) Acquired in any trust, guardianship or estate for which you are acting in a fiduciary or representative capacity; or
 - (2) Acquired by repossession, foreclosure, deed in lieu of foreclosure, or as a mortgagee in possession; or
 - d.** Property of others in a safe deposit box or that is entrusted to you for safekeeping.
- D. In the **Building And Personal Property Coverage Form**, Section **A. Coverage**, Item **4. Additional Coverages** is amended as follows:
 1. **Debris Removal** is amended as follows:
 - a.** The additional Limit of Insurance in subparagraph **(4)** is amended to the Debris Removal Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule.
 - b.** The percentage in paragraphs **(3)(b)** and **(4)(b)** is increased from 25% to 50%.
 2. Item **b. Preservation Of Property**, subparagraph **(2)** is deleted and replaced by the following:
 - (2) Only if the loss or damage occurs within 180 days after the property is first moved.
 3. The Limit of Insurance in Item **c. Fire Department Service Charge** is amended to the **Fire Department Service Charge** Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule.
 4. The Limit of Insurance in Item **d. Pollutant Clean-up and Removal** is amended to the **Pollutant Clean-up and Removal** Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule.
 5. Item **e. Increased Cost of Construction** is deleted and replaced by the following:
 - e. Ordinance Or Law**
 - (1) This Additional Coverage applies to buildings to which the Replacement Cost Optional Coverage applies. In the event of damage by a Covered Cause of Loss to a building that is Covered Property at a described premises, we will pay for Loss To The Undamaged Portion Of The Building, Demolition Cost Coverage and Increased Cost Of Construction Coverage subject to the terms and conditions described below.
 - (2) **Application Of Coverages**

These coverages apply only if both **(a)** and **(b)** are satisfied and are then subject to the qualifications set forth in **(c)**.

 - (a) The ordinance or law:
 - (i) Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements to the building at the described premises; and
 - (ii) Is in force at the time of loss.

But coverage applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered.

- (b) (i) The building sustains direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or
- (ii) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.
- (iii) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage even if the building has also sustained covered direct physical damage.

- (c) In the situation described in **(2)(b)** above, we will not pay the full amount of loss otherwise payable under the terms of this coverage. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of these coverages.

- (3) We will not pay for:

- (a) Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- (b) The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

(4) Coverage

(a) Coverage For Loss To The Undamaged Portion Of The Building

With respect to the building that has sustained covered direct physical damage, we will pay for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building.

Coverage is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. This coverage does not increase the Limit Of Insurance.

(b) Demolition Cost Coverage

With respect to the building that has sustained covered direct physical damage, we will pay the cost to demolish and clear the site of undamaged parts of the same building, as a consequence of a requirement to comply with an ordinance or law that requires demolition of such undamaged property.

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

(c) Increased Cost Of Construction Coverage

- (i) With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

1. Repair or reconstruct damaged portions of that building; and/or
2. Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However:

1. This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
2. We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

- (ii) When a building that is Covered Property is damaged or destroyed and coverage applies to that building in accordance with **(3)(a)** above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in **(3)(a)**:
 - 1. The cost of excavations, grading, backfilling and filling;
 - 2. Foundation of the building;
 - 3. Pilings; and
 - 4. Underground pipes, flues and drains.

(5) Loss Payment

- (a) All of the following loss payment provisions, **(5)(b)** through **(5)(d)**, are subject to the apportionment procedures set forth in paragraph **(2)(c)** of this Additional Coverage.
- (b) When there is a loss in value of an undamaged portion of a building, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - (i) If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - 1. The amount you would actually spend to repair, rebuild or reconstruct the building but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - 2. The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - (ii) If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - 1. The actual cash value of the building at the time of loss; or
 - 2. The Limit Of Insurance shown in the Declarations as applicable to the covered building.
- (c) Loss payment under Demolition Cost Coverage and Increased Cost of Construction Coverage will be determined as follows:

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Ordinance or Law Coverage - Demolition and Increased Cost of Construction Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule. Subject to the Ordinance or Law Coverage - Demolition and Increased Cost of Construction Limit of Insurance, the following loss payment provisions apply:

- (i) For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises where Covered Property is located.
 - (ii) With respect to the Increased Cost of Construction:
 - 1. We will not pay for the increased cost of construction for Covered Property:
 - a. Until the property is actually repaired or replaced, at the same or another premises; and
 - b. Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - 2. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
 - 3. If the ordinance or law requires relocation of Covered Property to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.
- (6) The terms of this Additional Coverage apply separately to each building to which this coverage applies.
 - (7) We will not pay for loss due to any ordinance or law that:
 - (a) You were required to comply with before the loss, even if the building was undamaged; and
 - (b) You failed to comply with.

(8) Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section (2)(c) above)

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Increased Cost of Construction Coverage: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance Or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay for the loss is \$18,000, subject to the applicable Limit Of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under the other ordinance or law coverages.

6. Paragraph **f. Electronic Data** is deleted.

7. **Reward Payment** is added as follows:

- a. We will reimburse you for rewards to an eligible person for information leading to the arrest and conviction of any person or persons committing a crime resulting in loss to Covered Property from a Covered Cause of Loss.
- b. An eligible person means that person designated by a law enforcement agency as being the first to voluntarily provide the information leading to the recovery of stolen Covered Property or the arrest and conviction of any person or persons committing a crime resulting in a covered loss, and who is not:
 - (1) You;
 - (2) Your partner, an officer or an employee or any family members thereof;
 - (3) An employee of a law enforcement agency;
 - (4) An employee of a business engaged in property protection;
 - (5) A person who had custody of the Covered Property at the time the theft was committed; or
 - (6) A person involved in the crime.

The most we will pay under this Additional Coverage, regardless of the number of persons who provided the information, is the **Reward Payment** Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule.

8. **Fire Extinguishing Equipment Recharge** is added as follows:

We will pay for the cost to recharge or refill any fire protective equipment at a described premises when discharged:

- a. To prevent or control a loss;
- b. Accidentally; or
- c. As a result of malfunction of the equipment.

This Additional Coverage is part of, and not in addition to, the Limits of Insurance applicable to Covered Property.

9. **Leasehold Interest** is added as follows:

a. **Coverage**

We will pay for loss of Covered Leasehold Interest you sustain due to the cancellation of your lease. The cancellation must result from direct physical loss of or damage to Covered Property at a premises described in the Declarations caused by or resulting from a Covered Cause of Loss.

Covered Leasehold Interest means the following:

- (1) **Tenants' Lease Interest**, meaning the difference between the:
 - (a) Rent you pay for a described premises; and
 - (b) Rental value of that Covered Building at the described premises that you lease.
- (2) **Bonus Payments**, meaning the unamortized portion of a cash bonus that will not be refunded to you. A cash bonus is money you paid to acquire your lease at such building. It does not include:
 - (a) Rent, whether or not prepaid; or
 - (b) Security.
- (3) **Improvements and Betterments**, meaning the unamortized portion of payments made by you for improvements and betterments at a described premises. It does not include the value of improvements and betterments recoverable under any other insurance, but only to the extent of such other insurance. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove.
- (4) **Prepaid Rent**, meaning the unamortized portion of any amount of advance rent you paid that will not be refunded to you. This does not include the customary rent due at:
 - (a) The beginning of each month; or
 - (b) Any other rental period.
- (5) **Sublease Profit**, meaning the net profit you earn through subleasing the building or portion of the building that you rent for the unexpired term of the cancelled lease or sublease, whichever would expire first.

b. Limits of Insurance

Subject to the following loss payment provisions, the most we will pay under this Additional Coverage is the Leasehold Interest Limit Of Insurance shown in the Financial Institutions Property Enhancement Schedule:

(1) Applicable to Tenants' Lease Interest

- (a) The most we will pay for loss because of the cancellation of any one lease is your tenants' "net leasehold interest" at the time of loss.

But, if your lease is cancelled and your landlord lets you continue to use your premises under a new lease or other arrangement, the most we will pay for loss because of the cancellation of any one lease is the lesser of:

 - (i) The difference between the rent you now pay and the rent you will pay under the new lease or other arrangement; or
 - (ii) Your "net leasehold interest" at the time of loss.
- (b) Your "net leasehold interest" decreases automatically each month. The amount of "net leasehold interest" at any time is your "gross leasehold interest" times the leasehold interest factor for the remaining months of your lease. A proportionate share applies for any period of time less than a month.

(2) Applicable to Bonus Payments, Improvements and Betterments and Prepaid Rent

- (a) The most we will pay for loss because of the cancellation of any one lease is your "net leasehold interest" at the time of loss.

But, if your lease is cancelled and your landlord lets you continue to use your premises under a new lease or other arrangement, the most we will pay for loss because of the cancellation of any one lease is the lesser of:

 - (i) The loss sustained by you; or
 - (ii) Your "net leasehold interest" at the time of loss.
- (b) Your "net leasehold interest" decreases automatically each month. A proportionate share applies for any period of time less than a month. To determine the monthly value for each of these coverages divide your original costs of Bonus Payments, Improvements and Betterments or Prepaid Rent by the number of months left in your lease at the time of the expenditure. Your interest in each of these coverages at any time is the amount of this monthly value times the number of months left in your lease.

(3) Applicable to Sublease Profits

(a) The most we will pay for loss because of the cancellation of any one lease is your sublease profits interest at the time of loss. But, if your lease is cancelled and your landlord lets you continue to sublease your premises under a new lease or other arrangement, the most we will pay for loss because of the cancellation of any one lease is the lesser of:

- (i)** The difference between the original monthly cost of renting the sublease space and the new cost of renting the sublease space; or
- (ii)** Your sublease profits interest at the time of loss.

(b) Your sublease profits interest means the present value of the difference between the:

- (i)** Monthly rental income received for the subleased premises; and
- (ii)** Actual monthly rent you pay including taxes, insurance, janitorial or other service that you pay for as part of the rent for sublet portion of the premises.

This monthly amount is discounted by the prime rate of interest for the remainder of the lease term. A proportionate share applies for any period of time less than a month.

c. Paragraph **6. Vacancy** of the **Loss Conditions** Section is amended as follows:

(1) Paragraph **a.** is amended to include the following:

With respect to Tenant's Lease Interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(2) Paragraph **b.** is amended to include the following:

This provision also applies to vacant subleased property, provided you have entered into an agreement to sublease the described premises as of the time of loss or damage. If you have not entered into an agreement to sublease the described premises as of the time of loss or damage, we will not pay for any loss of Covered Leasehold Interest.

10. Water Backup of Sewers or Drains is added as follows:

- a.** We will pay for loss of or damage to Covered Property caused by or resulting from water that backs up or overflows from a sewer, drain or sump at the described premises that occurs during the policy period.
- b.** The most we will pay under this Additional Coverage for each described premises is the **Water Backup of Sewers or Drains** Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule. This limit applies to anyone occurrence, regardless of the types or number of items or properties damaged in that occurrence.
- c.** To the extent that Exclusion **g. Water** of Paragraph **B. Exclusions** in the Causes of Loss – Special Form might conflict with the coverage provided under this Additional Coverage, Exclusion **g.** does not apply.

11. Earthquake and Volcanic Eruption Coverage for Specified Property is added as follows:

- a.** With respect to the **Covered Property** shown in **11.b.** below, coverage is extended to include loss or damage caused by Earthquake and Volcanic Eruption.
 - (1)** For purposes of this Additional Coverage, earthquake means a shaking or trembling of the earth's crust caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural causes.
 - (2)** For purposes of this Additional Coverage, volcanic eruption means the eruption, explosion, or effusion of a volcano.
 - (3)** All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption occurrence. The expiration of this policy will not reduce the 168-hour period.
- b.** This Additional Coverage applies to the following **Covered Property**:
 - (1)** Your Business Personal Property that is "electronic data processing equipment", "electronic data", or "electronic media"; and
 - (2)** Covered Property under the following Coverage Extensions:
 - (a)** Account Receivable;
 - (b)** Fine Arts;
 - (c)** Off Premises Automatic Teller Machines (ATMs) and Interactive Teller Machines (ITMs)

- (d) Personal Property At Exhibitions, Fairs and Trade Shows;
 - (e) Personal Property In Transit; or
 - (f) Valuable Papers and Records.
- c. This Additional Coverage does not include the cost of restoring or remediating land.
- d. Business Income and Extra Expense Period of Restoration**
- The "period of restoration" definition stated in any Coverage Form providing Business Income and/or Extra Expense coverage, or in any endorsement amending the beginning of the "period of restoration", applies to each Earthquake or Volcanic Eruption. A single earthquake or volcanic eruption is defined in Paragraph **a.(3)** of this Additional Coverage.
- e. Property Damage Limits and Deductibles**
- (1) The Deductible for Covered Property is the Earthquake and Volcanic Eruption for Specified Property Deductible shown in the Financial Institutions Property Enhancement Endorsement Schedule.
- The Deductible applies to each occurrence at each described premises or other location.
- (2) The most we will pay under this Additional Coverage for Covered Property described:
- (a) In **b.(1)** of this Additional Coverage is the lesser of:
- (i) The Limit of Insurance applicable to such Business Personal Property at a described premises; or
 - (ii) The Earthquake and Volcanic Eruption Coverage for Specified Property Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule for EDP.
- However, if Earthquake and Volcanic Eruption Coverage is purchased for Your Business Personal Property at a described premises, then the Earthquake Limit of Insurance shown on the Declarations will apply instead of this Additional Coverage.
- (b) In **b.(2)** of this Additional Coverage is the lesser of:
- (i) The Limit of Insurance applicable to such property under its corresponding Additional Coverage Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule; or
 - (ii) The Earthquake and Volcanic Eruption Coverage for Specified Property Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule for Other Specified Property.
- (c) With respect to any other applicable Additional Coverages and Coverage Extensions in the Coverage Form to which this endorsement is attached, the amounts of coverage stated in the Additional Coverage or Coverage Extension do not increase the Limit of Insurance applicable under this Additional Coverage. Instead, the most we will pay for all loss or damage to property covered under this Additional Coverage is the Limit of Insurance as described in Paragraphs **e.(2)(a)** and **e.(2)(b)** of this Additional Coverage.
- (d) In the event of a covered ensuing loss, for example, loss caused by Fire, Explosion and/or Sprinkler Leakage which results from the Earthquake or Volcanic Eruption, the most we will pay for the total of all loss or damage caused by Earthquake or Volcanic Eruption and the ensuing loss is the highest applicable Limit of Insurance. We will **not** pay the sum of the Earthquake and Volcanic Eruption Limit of Insurance and the applicable Limit of Insurance for any ensuing loss.

12. Flood Coverage for Specified Property is added as follows:

- a. With respect to the **Covered Property** shown in **12.b.** below, coverage is extended to include loss or damage caused by Flood.
- (1) For purposes of this Additional Coverage, flood means a general and temporary condition of partial or complete inundation of normally dry land areas due to:
- (a) The overflow of inland or tidal waters;
 - (b) The unusual or rapid accumulation of runoff of surface waters from any source; or
 - (c) Mudslides or mudflows which are caused by the type of flooding as defined in **a.(1)(a)** and **a.(1)(b)** of this Additional Coverage.
- A mudslide or mudflow involves a river of liquid and flowing mud on the surface of normally dry land areas as when earth is carried by a current of water and deposited along the path of the current.

- (2) All flooding in a continuous and protracted event will constitute a single flood.
- (3) If the Flood is due to the overflow of inland or tidal waters, then the Flood is considered to begin when the water first overflows its banks.
- b. This Additional Coverage applies to the following **Covered Property**:
 - (1) Your Business Personal Property that is “electronic data processing equipment”, “electronic data”, or “electronic media”; and
 - (2) Covered Property under the following Coverage Extensions:
 - (a) Account Receivable;
 - (b) Fine Arts;
 - (c) Off Premises Automatic Teller Machines (ATMs) and Interactive Teller Machines (ITMs)
 - (d) Personal Property At Exhibitions, Fairs and Trade Shows;
 - (e) Personal Property In Transit; or
 - (f) Valuable Papers and Records.
- c. **Additional Coverages and Coverage Extensions**
 - (1) With respect to coverage for Flood as provided by this Additional Coverage, the Debris Removal Additional Coverage (and any additional limit for Debris Removal under a Limit of Insurance clause or an endorsement) is not applicable and is replaced by the following:

Debris Removal

 - (a) We will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from Flood. However, we will not pay to remove deposits of mud or earth from the grounds of the described premises.
 - (b) We will also pay the expense to remove debris of Covered Property that has floated or been hurled off the described premises by Flood.
 - (c) This coverage for Debris Removal, as set forth in **c.(1)(a)** and **c.(1)(b)** of this Additional Coverage, does not increase the Limit of Insurance for Flood Coverage as described in Paragraph e. of this Additional Coverage.
 - (2) The Coverage Extension for Newly Acquired or Constructed Property is amended by adding the following:

With respect to any Flood Coverage provided under this Coverage Part, no Flood coverage applies to any building or structure that is not fully enclosed by walls and roof.
- d. The **Coinsurance** Condition, if any, in the applicable Coverage Form applies to the coverage provided under this endorsement.
- e. **Property Damage Limits and Deductibles**
 - (1) The Deductible for Covered Property under this Additional Coverage is the Flood for Specified Property Deductible shown in the Financial Institutions Property Enhancement Endorsement Schedule. The Deductible applies to each occurrence.
 - (2) The most we will pay under this Additional Coverage for Covered Property described:
 - (a) In **b.(1)** of this Additional Coverage is the lesser of:
 - (i) The Limit of Insurance applicable to such Business Personal Property at a described premises; or
 - (ii) The Flood Coverage for Specified Property Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule.

However, if Flood Coverage is purchased for Your Business Personal Property at a described premises, then the Flood Limit of Insurance shown on the Declarations will apply instead of this Additional Coverage.
 - (b) In **b.(2)** of this Additional Coverage is the lesser of:
 - (i) The Limit of Insurance applicable to such property under its corresponding Additional Coverage Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule; or
 - (ii) The Flood Coverage for Specified Property Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule.

- (c) With respect to any other applicable Additional Coverages and Coverage Extensions in the Coverage Form to which this endorsement is attached, the amounts of coverage stated in the Additional Coverage or Coverage Extension do not increase the Limit of Insurance applicable under this Additional Coverage. Instead, the most we will pay for all loss or damage to property covered under this Additional Coverage is the Limit of Insurance as described in Paragraphs **d.(2)(a)** and **d.(2)(b)** of this Additional Coverage.
 - (d) In the event of a covered ensuing loss, for example, loss caused by Fire, Explosion and/or Sprinkler Leakage which results from the Flood, the most we will pay for the total of all loss or damage caused by Flood, and the ensuing loss is the highest applicable Limit of Insurance. We will **not** pay the sum of the Flood Limit of Insurance and the applicable Limit of Insurance for any ensuing loss.
- f. The **Other Insurance** Commercial Property Condition is replaced by the following with respect to the coverage provided under this Additional Coverage:
- (1) If the loss is also covered under a National Flood Insurance Program (NFIP) policy, or if the property is eligible to be written under an NFIP policy but there is no such policy in effect, then we will pay only for the amount of loss in excess of the maximum limit that can be insured under that policy. This provision applies whether or not the maximum NFIP limit was obtained or maintained, and whether or not you can collect on the NFIP policy. We will not, under any circumstances, pay more than the applicable Limit Of Insurance for Flood as stated in the Paragraph **e.** of this Additional Coverage.
- However, this Provision **f.(1)** does not apply under the following circumstances:
- (a) At the time of loss, the property is eligible to be written under an NFIP policy but such policy is not in effect due solely to ineligibility of the property at the time this Flood Coverage Endorsement was written; or
 - (b) An NFIP policy is not in effect because we have agreed to write this Additional Coverage without underlying NFIP coverage. There is such an agreement only if the Financial Institutions Property Enhancement Endorsement Schedule indicates that the Underlying Insurance Waiver applies for this Additional Coverage.
- (2) If there is other insurance covering the loss, other than that described in **f.(1)** above, we will pay our share of the loss. Our share is the proportion that the applicable Limit of Insurance under this endorsement bears to the total of the applicable Limits of Insurance under all other such insurance. But we will not pay more than the Limit Of Insurance as described in Paragraph **e.** of this Additional Coverage.
- g. Solely with respect to the coverage provided under this Additional Coverage, Section **A. Coverage**, item **2. Property Not Covered**, is amended to include:
- (1) Any building or other property that is not eligible for flood insurance pursuant to the provisions of the Coastal Barrier Resources Act, 16 U.S.C. 3501 *et seq.* and the Coastal Barrier Improvement Act of 1990, Pub. L. 101-591, 16 U.S.C. 3501 *et seq.*
 - (2) Boat houses and open structures, and any property in or on the foregoing, if the structure is located on or over a body of water.
 - (3) Bulkheads, pilings, piers, wharves, docks, or retaining walls that are not part of a building.

13. Loss of Master Key is added as follows:

In the event that keys or the "master key" are stolen or otherwise reasonably presumed to have been compromised at the described premises due to theft or vandalism of Covered Property, we will pay the costs to:

- a. Re-key the locks;
- b. Install new lock cylinders;
- c. Provide new master keys; or
- d. Replace existing locks with new locks of like kind and quality.

The most we will pay under this Additional Coverage for each described premises is the **Loss of Master Key** Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule.

14. Movement of Property is added as follows:

If you move Covered Property from a described premises to a new premises; and

- a. A Limit of Insurance for such new premises is specifically endorsed to this Coverage Part and the prior described premises has been deleted from this Coverage Part; and

- b. Physical loss or damage caused directly by a Covered Cause of Loss which occurs to Covered Property at the prior described premises before the movement of property to the new premises is completed;

we will pay for loss or damage to Covered Property at the prior described premises. Insurance under this Additional Coverage will end when any of the following first occurs:

- a. The movement of property to the new premises is completed; or
- b. Thirty (30) days after the effective date of the endorsement adding the new premises.

E. In the Building And Personal Property Coverage Form, Section A. Coverage, 5. Coverage Extensions is amended as follows:

1. Paragraph a. Newly Acquired Or Constructed Property is amended as follows:

- a. The last sentence of Subparagraph (1) under **Buildings** is deleted and replaced by the following:

The most we will pay for loss or damage under this Extension at each building is the **Newly Acquired Or Constructed Property - Buildings** Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule.

- b. The last sentence of Subparagraph (2)(a) under **Your Business Personal Property** is deleted and replaced by the following:

The most we will pay for loss or damage under this Extension at each building is the **Newly Acquired Or Constructed Property - Your Business Personal Property** Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule.

- c. Subparagraph (3)(b) under **Period of Coverage** is deleted and replaced by the following:

- (b) 180 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

- d. The following provision is added:

The coverage provided by this Extension does not apply to property that is:

- (1) Acquired in any trust, guardianship, or estate for which you are acting in a fiduciary or representative capacity; or
- (2) Acquired by repossession, foreclosure, deed in lieu of foreclosure, or as a mortgagee in possession.

2. Paragraph b. Personal Effects and Property of Others is deleted and replaced by the following:

- a. You may extend the insurance that applies to Your Business Personal Property to apply to:

- (1) Personal Effects owned by you, your officers, your partners, or your employees, excluding loss or damage by theft; and
- (2) Personal property of others in your care, custody or control; while at a described premises or while in transit.

- b. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

- c. The most we will pay under this Extension is the **Personal Effects and Property of Others Limit of Insurance** shown in the Financial Institutions Property Enhancement Endorsement Schedule.

3. Paragraph c. Valuable Papers And Records (Other Than Electronic Data) is amended as follows:

- a. The Title of the Coverage Extension is amended to **Valuable Papers and Records**

- b. Subparagraph (1) is deleted and replaced by the following:

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to research, replace or restore the lost or damaged information on valuable papers and records, for which duplicates do not exist, that you own or that are in your care, custody or control while located anywhere in the Coverage Territory, including while they are in transit.

- c. Subparagraph (4) is deleted and replaced by the following:

- (4) The most we will pay under this Extension is the **Valuable Papers And Records Limit of Insurance** shown in the Financial Institutions Property Enhancement Endorsement Schedule.

- d. The following provision is added:

This Coverage does not include:

- (1) Property that cannot be replaced with other property of like kind and quality unless specifically described in the Valuable Papers and Records Coverage Schedule; or
- (2) Property held as samples or for delivery after sale.

4. Paragraph **d. Property Off-Premises** paragraph is deleted and replaced by the following:

Personal Property at Other Locations is added as follows:

You may extend the insurance that applies to Your Business Personal Property to apply to your Covered Property that is at any location in the Coverage Territory other than the described premises.

This Extension does not apply to property:

- a. In or on a vehicle;
- b. At the premises of a fair, trade show or exhibition;
- c. Covered under any other Additional Coverage or Coverage Extension provided in this policy.

The most we will pay for loss or damage under this Extension at any one premises is the **Personal Property at Other Locations Limit of Insurance** shown in the Financial Institutions Property Enhancement Endorsement Schedule.

5. Paragraph **e. Outdoor Property** is deleted and replaced by the following:

- a. You may extend the insurance that applies to Buildings to apply to the following types of property while located at the described premises:

- (1) Bridges, roadways, walks, patios or other paved surfaces;
- (2) In-ground sprinkler systems and piping;
- (3) Outdoor fences, light and flag poles, and awnings;
- (4) Outdoor trees, shrubs and plants;
- (5) Bulkheads, pilings, piers, wharves or docks;
- (6) Radio, microwave or television antennas or satellite dishes, including their lead-in wiring, guy wires, masts or towers; and
- (7) Retaining walls (other than retaining walls that are used to contain water) that are not part of a building; which you own or which you may legally remove as a tenant.

- b. This Extension applies to loss or damage caused by or resulting from any of the following causes of loss if they are a Covered Causes of Loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion;
- (5) Aircraft or Vehicles;
- (6) Vandalism; or
- (7) Falling Objects.

- c. This Coverage Extension does not apply to your use interest, as a tenant, in improvements and betterments.

- d. The most we will pay under this Extension is the **Outdoor Property Limit of Insurance** shown in the Financial Institutions Property Enhancement Endorsement Schedule. However, we will not pay more than \$1,000 for any one tree, shrub or plant.

6. **Personal Property In Transit** is added as follows:

You may extend the insurance that applies to **Your Business Personal Property** to apply to personal property, including shipments of such personal property, while in transit at your risk between points within the Coverage Territory. This Coverage applies to property while it is in transit more than 1,000 feet from the described premises.

- a. This Coverage includes:

- (1) Property you have sold when your responsibility continues until the property is delivered;
- (2) Outgoing shipments where the risk of loss or damage is transferred to the consignee when such property leaves your premises. If the consignee refuses to pay because the shipment is lost or damaged, you may elect to claim that loss under this insurance. You must use all reasonable means to collect the amount due you from the consignee. We will not make payment under this Coverage until you grant us the right of recovery against the consignee;
- (3) Shipments during "loading" or "unloading" and within 1000 feet of any transporting conveyance;

- (4) The necessary additional expenses you incur to inspect, re-package, and reship undamaged Covered Property when the shipment is damaged as a result of a Covered Cause of Loss;
 - (5) Outgoing shipments which have been rejected by the consignee or are not deliverable, while:
 - (a) In due course of transit, being returned to you; or
 - (b) Up to 30 days after delivery or attempted delivery awaiting return to you; and
 - (6) General Average and Salvage Charges you incur on shipments while waterborne.
- b. This Coverage does not apply to:
- (1) Property of others for which you are responsible as a carrier for hire or carloader, consolidator, broker, freight forwarder, shipping association or other arranger of transportation;
 - (2) Mail shipments in the custody of the US Postal Service and Transit Cash Letters;
 - (3) Shipments while waterborne, unless the shipment is on a barge on inland waterways within the continental United States;
 - (4) Shipments imported into the United States prior to "unloading" from an aircraft or ocean vessel or shipments exported from the United States after "loading" onto an aircraft or ocean vessel; and
 - (5) Property covered under the following Coverage Extensions:
 - (a) Accounts Receivable Coverage;
 - (b) Off Premises Automated Teller Machines (ATMs) and Interactive Teller Machines (ITMs);
 - (c) Fine Arts Coverage;
 - (d) Personal Effects and Property of Others Coverage; or
 - (e) Valuable Papers and Records Coverage.
- c. The most we will pay for loss or damage under this Extension in any one occurrence is the **Personal Property In Transit Limit of Insurance** shown in the Financial Institutions Property Enhancement Endorsement Schedule.

7. Personal Property At Exhibitions, Fairs and Trade Shows is added as follows:

You may extend the insurance that applies to Your Business Personal Property to apply while such property is temporarily on display to the public at a premises you do not regularly occupy.

The most we will pay under this Extension for loss or damage in any one occurrence is the **Personal Property At Exhibitions, Fairs and Trade Shows** Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule.

8. Off Premises Automatic Teller Machines (ATMs) and Interactive Teller Machines (ITMs) is added as follows:

You may extend the insurance that applies to Your Business Personal Property to apply to Automatic Teller Machines (ATMs) and Interactive Teller Machines (ITMs), including the machinery and any appurtenant structure, if they are:

- a. Located within the Coverage Territory; and
- b. Not located at a premises described in the Declarations.

The most we will pay under this Extension for loss or damage to any one Automatic Teller Machine (ATM) or Interactive Teller Machine (ITM) is the **Off Premises ATM or ITM Limit of Insurance** shown in the Financial Institutions Property Enhancement Endorsement Schedule.

This Coverage Extension does not apply to Property covered under **Personal Property At Other Locations**.

9. Fine Arts is added as follows:

- a. You may extend the insurance that applies to Your Business Personal Property to apply to Fine Arts, meaning property that is rare or has historic or artistic value, such as paintings, etchings, drawings, pictures, rare books, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique silver, manuscripts, porcelains, rare glass, bric-a-brac, stained glass, murals, decoratively painted walls and other bonafide works of art or rarity that you own or that are in your care, custody or control.
- b. Fine Arts Coverage applies to property located anywhere in the Coverage Territory, including while that property is in transit, except:
 - (1) On exhibition at fairgrounds or trade shows; or
 - (2) On the premises of any national or international exposition.
- c. The most we will pay for loss or damage under this Extension is the **Fine Arts Limit of Insurance** shown in the Financial Institutions Property Enhancement Endorsement Schedule.

10. Theft Damage to Building is added as follows:

- a. You may extend the insurance that applies to Your Business Personal Property to apply to:
 - (1) The part of any building at a described premises containing Covered Property; or
 - (2) Equipment within the building used to maintain or service such building.
- b. Under this Coverage Extension, we will not pay for damage to:
 - (1) Glass; or
 - (2) Lettering or artwork on glass or etching to glass.

This Coverage Extension applies only to described premises where you are a tenant and you are contractually or legally responsible for such damage. This Extension of Coverage does not increase the Limit of Insurance available under this Coverage Part.

11. Accounts Receivable is added as follows:

- a. You may extend the insurance that applies to Your Business Personal Property to apply to all amounts due from your customers that you are unable to collect as a result of loss or damage to your records of accounts receivable from a Covered Cause of Loss;
- b. This Extension applies to:
 - (1) Evidences of debt in connection with credit or charge cards;
 - (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss; and
 - (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable.
- c. The most we will pay under this Coverage Extension is the **Accounts Receivable Limit of Insurance** shown in the Financial Institutions Property Enhancement Endorsement Schedule.

12. Inventory and Appraisal is added as follows:

- a. In the event of covered loss or damage, we will pay for the expenses you incur at our request to assist us in:
 - (1) The investigation of a claim; or
 - (2) The determination of the amount of loss, such as taking inventory or making appraisals.
- b. We will not pay for any expenses:
 - (1) To prove that loss or damage is covered;
 - (2) To prepare claims not covered by this Coverage Part;
 - (3) Incurred for examinations under oath;
 - (4) Incurred under the Appraisal Loss Condition; or
 - (5) Billed by and payable to independent or public insurance adjusters.
- c. The most we will pay under this Extension is the **Inventory and Appraisal Limit of Insurance** shown in the Financial Institutions Property Enhancement Endorsement Schedule.

13. Salesmen's Samples is added as follows:

- a. You may extend the insurance provided by the Building and Personal Property Coverage Form to apply to:
 - (1) Samples of your "stock" (including containers), while off the described premises; and
 - (2) Similar business property of others, while:
 - (a) In transit between your premises and your sales representative; or
 - (b) Away from the described premises, but only while in the custody of your sales representative, an agent acting exclusively for your benefit, or you while acting as a sales representative.
- b. The most we will pay under this Additional Coverage is the **Salesmen's Samples Limit of Insurance** shown in the Financial Institutions Property Enhancement Endorsement Schedule.

14. Newly Acquired Personal Property At A Covered Location is added as follows:

You may extend the insurance that applies to Your Business Personal Property at a described premises to apply to newly acquired personal property at that location.

- a. With respect to insurance provided under this Extension, coverage will end when any of the following first occurs:
 - (1) This policy expires;

- (2) 180 days expire after you acquire the property; or
- (3) You report the values to us.
- b. We will charge you additional premium for the values reported from the date you acquire the property.
- c. This Extension applies separately to each described premises where you acquire new personal property. However, the most we will pay in any one occurrence is the **Newly Acquired Personal Property At A Covered Location Limit of Insurance** shown in the Financial Institutions Property Enhancement Endorsement Schedule.
- d. Coverage provided by this Extension does not apply to property that is:
 - (1) Acquired in any trust, guardianship, or estate for which you are acting in a fiduciary or representative capacity; or
 - (2) Acquired by repossession, foreclosure, deed in lieu of foreclosure, or as a mortgagee in possession.

15. Emergency Vacating Expense is added as follows:

The insurance provided by this Coverage Form is extended to apply to the reasonable expenses that you incur in the "emergency" vacating of the premises of your facility.

"Emergency", as used in this endorsement, means imminent danger arising from an external event or a condition in the facility which reasonably could be expected to cause loss of life or harm to your employees or visitors.

We will not pay expenses under this Coverage Extension arising out of:

- a. A strike, bomb threat or false fire alarm, unless vacating is ordered by civil authority;
- b. A planned vacating drill;
- c. The vacating of one or more employees or visitors that is due to their individual medical condition; or
- d. Any of the following to the extent these causes of loss are excluded in Section **B.** of this Coverage Form:
 - (1) Governmental Action;
 - (2) Nuclear Hazard; and
 - (3) War and Military Action.

No other exclusions in your policy apply to this Coverage Extension.

The most we will pay under this Coverage Extension in any one occurrence is the **Emergency Vacating Expense Limit of Insurance** shown on the Financial Institutions Property Enhancement Endorsement Schedule.

We will not pay for Emergency Vacating Expenses in any one occurrence until the amount of Emergency Vacating Expenses exceeds \$250. We will then pay the amount of Emergency Vacating Expenses in excess of \$250 up to the **Emergency Vacating Expense Limit of Insurance** shown on the Financial Institutions Property Enhancement Endorsement Schedule.

No other deductible applies to this Coverage Extension.

F. In the Building And Personal Property Coverage Form, Section D. Deductible is amended to include the following:

- 1. No deductible applies to the following Additional Coverages:
 - a. Debris Removal;
 - b. Fire Department Service Charge;
 - c. Pollutant Cleanup and Removal;
 - d. Ordinance or Law;
 - e. Reward Payments;
 - f. Leasehold Interest; and
 - g. Business Income and Extra Expense.
- 2. No deductible applies to the following Coverage Extensions:
 - a. Inventory and Appraisal; and
 - b. Emergency Vacating Expenses.

G. In the Building And Personal Property Coverage Form, Section E. Loss Conditions is amended as follows:

- 1. Subparagraph **b.** of **Paragraph 4. Loss Payment** does not apply to the degree that **Additional Coverage - Ordinance of Law** applies.

2. The second paragraph under Subparagraph **b.** of **Paragraph 7. Valuation** does not apply to the degree that **Additional Coverage - Ordinance of Law** applies.
3. Subparagraph **d.** of **Paragraph 7. Valuation** is deleted and replaced by the following:
 - d.** Glass (other than art glass windows or stained glass) at the cost of replacement with safety glazing material if required by law, plus the cost to replace lettering and ornamentation. Building glass will also include:
 - (1) Attached frames; and
 - (2) The portions of burglar alarms, accessories and devices that are attached to or incorporated within the glass.
4. Paragraph **7. Valuation** is amended to include the following:
 - a. Accounts Receivable Valuation**
 - (1) If you cannot accurately establish the amount of accounts receivable outstanding as of time of loss, the following method will be used:
 - (a) Determine the total of the average monthly amount of accounts receivable for the 12 months immediately preceding the month in which the "loss" occurs; and
 - (b) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the "loss" occurred or for any demonstrated variance from the average for that month.
 - (2) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (a) The amount of accounts for which there is no loss or damage;
 - (b) The amount of the accounts that you are able to re-establish or collect;
 - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (d) All unearned interest and service charges.
 - (3) If you recover the amount of any accounts receivable that were included in the amount of the paid loss, you will return the recovered amount to us, up to the total amount of the paid loss. You will keep the amount of any accounts receivable you recover in excess of the amount of the paid loss.
 - b. "Valuable Papers and Records" Valuation**

We will determine the value of "valuable papers and records" at the cost of:

 - (1) Blank materials for reproducing the materials; and
 - (2) Labor to transcribe or copy the records when there is a duplicate.

If a Schedule of "valuable papers and records" is attached to this Coverage Part, then the "valuable papers and records" will be valued at the amount shown in that Schedule.
 - c. "Electronic Data Processing Equipment", "Electronic Media" and "Electronic Data" Valuation**
 - (1) We will determine the value of "electronic media" and "electronic data", other than prepackaged software programs as follows:
 - (a) If replaced, at the cost to reproduce the "electronic media" and "electronic data"; or
 - (b) If not replaced, at the cost of blank materials on which the "electronic media" and "electronic data" is recorded.
 - (2) We will determine the value of "electronic media" and "electronic data" that are prepackaged software programs at the cost of functionally equivalent software.
 - (3) We will determine the value of "electronic data processing equipment" that cannot be replaced at the cost of functionally equivalent hardware.
 - d. Fine Arts Valuation**

We will determine the value of fine arts at the "market value" as of the time of loss or damage. Scheduled items shown on the Fine Arts Schedule will be valued at the amount shown in that Schedule.
 - e. Personal Property In Transit Valuation**

We will determine the value of Personal property in due course of transit at:

 - (1) The amount of invoice plus accrued costs, prepaid charges and charges since shipment that are not included in the invoice amount; or
 - (2) In the absence of an invoice, the value of the Covered Property will be its actual cash value as of the time of loss or damage.

- H. In the **Building And Personal Property Coverage Form**, Paragraph **2.b.(2)** of Section **G. Optional Coverages**, **Inflation Guard** is deleted and replaced by the following:
- (2) The percentage of annual increase shown in the Financial Institutions Property Enhancement Endorsement Schedule, expressed as a decimal (example 4% is .04), times
- I. Section **H. Definitions** is amended to include the following:
1. "Electronic data" means information, facts, or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on "electronic media". The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.
 2. "Electronic data processing equipment" means:
 - a. Data processing systems (including equipment, component parts and related peripheral equipment) used in the course of your operations and air conditioning and fire protection equipment used solely for such data processing systems; and
 - b. Telephone components and equipment, including telephone switchgear, facsimile transmission equipment, telex equipment and other related equipment used for the transmission of communications related to electronic data processing.
 3. "Electronic media" means any source for storing "electronic data" including but not limited to hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment.
 4. a. "Employee" means any natural person:
 - (1) While in your service and for 30 days after termination of service; and
 - (2) Whom you compensate directly by salary, wages or commissions; and
 - (3) Whom you have the right to direct and control while performing services for you; or
 - (4) Employed by an employment contractor while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the premises.
 - b. "Employee" does not mean any:
 - (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
 - (2) Director or trustee except while performing acts coming within the scope of the usual duties of an "employee".
 5. "Gross leasehold interest" means the difference between the:
 - a. Monthly rental value of the described premises that you lease; and
 - b. Actual monthly rent you pay including taxes, insurance, janitorial or other service that you pay for as part of the rent.

This amount is not changed:

 - (1) Whether you occupy all or part of the described premises; or
 - (2) If you sublet the described premises.
 6. "Loading" means the placing of Covered Property in or on the transporting conveyance from a loading platform, sidewalk, street or similar place next to or within 1,000 feet of the conveyance.
 7. "Market value" means the price which the property might be expected to realize if offered for sale in a fair market. This does not include land values for a described premises.
 8. "Monthly leasehold interest" means the monthly portion of covered Bonus Payments and Prepaid Rent, determined by dividing by your original costs of Bonus Payments or Prepaid Rent by the number of months left in your lease at the time of the expenditure.
 9. "Net leasehold interest" means:
 - a. For **Tenants' Lease Interest**, the present value of your "gross leasehold interest" for each remaining month of the term of the lease at the prime rate of interest. The "net leasehold interest" is the amount that, placed at the prime interest rate, would be equivalent to your receiving the "gross leasehold interest" for each separate month of the unexpired term of the lease.
 - b. For **Bonus Payments or Prepaid Rent**, the unamortized amount, determined by multiplying your "monthly leasehold interest" by the number of months left in your lease.

10. "Unloading" means the removing of Covered Property from the transporting conveyance to a loading platform, sidewalk, street or similar place next to or within 1,000 feet of the conveyance.
11. "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records including abstracts, books, deeds, drawings, films, negatives, transparencies, tapes, maps, mortgages or credit card records. "Valuable papers and records" does not mean money, securities, "electronic media" or "electronic data".

PART II: CHANGES TO THE BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

A. Business Income and Extra Expense Coverage

1. Business Income and Extra Expense Coverage is included per described premises as indicated on the Financial Institutions Property Enhancement Endorsement Schedule.
2. The Business Income and Extra Expense Limit of Insurance shown in the Financial Institutions Property Enhancement Endorsement Schedule applies per described premises, unless coverage is excluded or a higher limit is shown in the Declarations for that described premises.

B. Premises Boundary Increase

Any reference to distance from the building, structure or described premises is changed from 100 feet to 1,000 feet.

- C. Section **A. Coverages**, item **4. Additional Limitation - Interruption of Computer Operations** is deleted in its entirety.

D. Extended Business Income - Increased Time Period

Section **A. Coverages**, item **5. Additional Coverages**, c. **Extended Business Income** is amended as follows:

- a. Subparagraph **(1)(b)(ii)** is deleted and replaced by the following:
(1) 365 consecutive days after the date determined in **(1)(a)** above.
- b. Subparagraph **(2)(b)(ii)** is deleted and replaced by the following:
(2) 365 consecutive days after the date determined in **(2)(a)** above.

- E. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises where this endorsement applies.

- F. Section **A. Coverages**, item **5. Additional Coverages**, d. **Interruption of Computer Operations** is deleted in its entirety.

G. Newly Acquired Locations - Business Income and Extra Expense Enhanced Coverage

1. Section **A., Coverage**, paragraph **6., Coverage Extensions**, subparagraph **b.** of **Newly Acquired Locations** is deleted and replaced by the following:
 - b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred is the **Limit of Insurance for Newly Acquired Locations - Business Income and Extra Expense** shown in the Financial Institutions Property Enhancement Endorsement Schedule..
2. Section **A., Coverage**, paragraph **6., Coverage Extensions**, subparagraph **c.(2)** of **Newly Acquired Locations** is deleted and replaced by the following:
(2) 180 day expire after you acquire or begin to construct the property; or
3. This coverage does not apply to property that is:
 - a. Acquired in any trust, guardianship, or estate for which you are acting in a fiduciary or representative capacity; or
 - b. Acquired by repossession, foreclosure, deed in lieu of foreclosure, or as a mortgagee in possession.
4. We will charge you additional premium for Business Income and Extra Expense values reported from the date you acquire the property.

H. Utility Services - Business Income and Extra Expense

Section **A., Coverage**, paragraph **6., Coverage Extensions** is amended to include the following:

1. You may extend your Business Income and Extra Expense Coverage to apply to direct physical loss or damage that results in a suspension of one or more of the following services at a described premises:
 - (a) Water supply services;
 - (b) Power supply services;
 - (c) Wastewater removal services; or
 - (d) Communication supply services, including services relating to Internet access or access to any electronic network.

2. Such direct physical loss or damage must be caused by a Covered Cause of Loss to property more than 1,000 feet from any described premises.
3. The property suffering a direct physical loss or damage must be property that would be covered by this Policy if it were owned by the insured and the location was a described premises.
4. The most we will pay under this Coverage Extension is the **Business Income and Extra Expense – Utility Services Limit of Insurance** shown in the Financial Institutions Property Enhancement Endorsement Schedule.

I. Ordinance or Law - Business Income and Extra Expense Coverage

Section **A., Coverage**, paragraph **6., Coverage Extensions** is amended to include the following:

1. If a Covered Cause of Loss occurs to property at the premises described in the Declarations, you may extend your Business Income and Extra Expense Coverage to apply to include the amount of actual and necessary loss you sustain during the increased period of "suspension" of "operations" caused by or resulting from a requirement to comply with any ordinance or law that:
 - a. Regulates the construction or repair of any property;
 - b. Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss; and
 - c. Is in force at the time of loss.

However, coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of or compliance with any ordinance or law which requires:

- a. The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- b. Any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
2. This coverage is included within and not in addition to the Limit of Insurance shown in the Property Declarations at the described premises for Business Income and Extra Expense.

J. Dependent Properties - Business Income and Extra Expense Coverage

Section **A., Coverage**, paragraph **6., Coverage Extensions** is amended to include the following:

1. You may extend your Business Income and Extra Expense Coverage to apply to direct physical loss or damage by a Covered Cause of Loss to "dependent property" other than "electronic data" or "electronic media".
2. The property suffering a direct physical loss or damage must be property that would be covered by this Policy if it were owned by the insured and the location was a described premises.
3. If the "dependent property" sustains loss or damage to "electronic data" or "electronic media" as well as other property, coverage under this endorsement will not continue once the other property is repaired, rebuilt or replaced.
4. The most we will pay under this Coverage Extension is the **Business Income and Extra Expense – Dependent Properties Limit of Insurance** shown in the Financial Institutions Property Enhancement Endorsement Schedule.

K. Contractual Penalties - Business Income and Extra Expense Coverage

Section **A., Coverage**, paragraph **6., Coverage Extensions** is amended to include the following:

1. You may extend your Business Income Coverage to apply to penalties that are imposed by a written contract between you and your customers. These penalties must:
 - a. Result from your failure to timely deliver your product or services according to contract terms;
 - b. Result from direct physical loss of or damage to Covered Property by a Covered Cause of Loss; and
 - c. Have been paid to your customer.
2. The most we will pay under this Coverage Extension is the **Business Income and Extra Expense – Contractual Penalties Limit of Insurance** shown in the Financial Institutions Property Enhancement Endorsement Schedule.

L. Transit - Business Income and Extra Expense

Section **A., Coverage**, paragraph **6., Coverage Extensions** is amended to include the following:

1. You may extend your Business Income and Extra Expense Coverage to apply to direct physical loss of or damage to Covered Property in transit caused by or resulting from a Covered Cause of Loss, provided such loss is covered under the Coverage Extension Personal Property In Transit provided in this endorsement.

2. The most we will pay under this Coverage Extension is the **Transit Business Income and Extra Expense Limit of Insurance** shown in the Financial Institutions Property Enhancement Endorsement Schedule. This is not an additional amount of insurance but is included in the Limit Of Insurance for Business Income and Extra Expense.

M. Section F. Definitions is amended as follows:

1. Paragraph 3. "Period of restoration" is deleted and replaced by the following:

3. "Period of restoration" means the period of time that:

- a. Begins:

- (1) For Business Income:

- (a) 72 hours after the time of direct physical loss or damage for Business Income caused by or resulting from any Covered Cause of Loss other than Earthquake or Volcanic Eruption;
 - (b) 72 hours after the time of direct physical loss or damage for Business Income caused by or resulting from Earthquake or Volcanic Eruption if the Covered Building is 4 stories or less in height; and
 - (c) 168 hours after the time of direct physical loss or damage caused by or resulting from Earthquake or Volcanic Eruption if the Covered Building is more than 4 stories in height.

- (2) For Extra Expense, immediately after the time of the direct physical loss or damage caused by a Covered Cause of Loss at the described premises or a "dependent property"; and

- b. Ends on the earlier of:

- (1) The date when the property at the described premises or "dependent property" should be repaired, rebuilt or replaced with reasonable speed and similar quality;
 - (2) The date when business is resumed at a new permanent location;
 - (3) For "dependent properties" business income, the date when you can resume "operations", in whole or in part, by using any other available source of materials or outlet for your products; or
 - (4) For "dependent properties" Extra Expense, the date you can return "operations" to normal without such Extra Expense.

"Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- (1) Requires any insured or others to test for, monitor, clean up, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
 - (2) Regulates the construction, use or repair, or requires the tearing down of any property, except to the extent that such coverage is provided under Business Income and Extra Expense Additional Coverage – Ordinance or Law.

The expiration date of this policy will not cut short the "period of restoration".

2. The following definition is added:

"Dependent property" means property in the Coverage Territory operated by others whom you depend on to:

- a. Deliver materials or services to you, or to others for your account (Contributing Locations). But any property which delivers any of the following services is not a Contributing Location with respect to such services:
 - (1) Water supply services;
 - (2) Power supply services;
 - (3) Wastewater removal services; or
 - (4) Communication supply services, including services relating to Internet access or access to any electronic network;
- b. Accept your products or services (Recipient Locations);
- c. Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
- d. Attract customers to your business (Leader Locations).

Part III: CHANGES TO THE CAUSES OF LOSS - SPECIAL FORM

A. Exceptions to Exclusions

Section **B. Exclusions** is amended as follows:

1. Exclusion **1.a. Ordinance or Law** does not apply to the Ordinance or Law Additional Coverage as provided in this endorsement.
2. Exclusion **1.e. Utility Services** is deleted and does not apply.
3. Subparagraph **(4)** of Exclusion **1.g. Water** is deleted and does not apply. All references to Subparagraph **(4)** within Exclusion **1.g. Water** are deleted and do not apply.
4. Exclusions **2.b. Delay or Loss of Use of Market** does not apply to the following Coverage Extensions:
 - a. Accounts Receivable;
 - b. Fine Arts; or
 - c. Valuable Papers and Records.
5. Exclusion **2.d.(3) Smog** does not apply to **Your Business Personal Property** that is “electronic data processing equipment”, “electronic data” or “electronic media”.
6. Exclusions **2.d.(4) Settling, Cracking, Shrinking** and **2.d.(5) Nesting or Infestation** do not apply to the following:
 - a. Coverage Extensions:
 - (1) Accounts Receivable;
 - (2) Fine Arts;
 - (3) Personal Property at Exhibition, Fairs and Trade Shows;
 - (4) Personal Property In Transit
 - (5) Valuable Papers and Records; or
 - b. Your Business Personal Property that is “electronic data processing equipment”, “electronic data” or “electronic media”.
7. Exclusion **2.d.** is amended as follows:
 - a. Subparagraph **(7) Dampness, Dryness, Temperature, Marring or Scratching** does not apply to the following:
 - (1) The following Coverage Extensions:
 - (a) Accounts Receivable;
 - (b) Personal Property In Transit;
 - (c) Valuable Papers and Records; or
 - (2) Your Business Personal Property that is “electronic data processing equipment”, “electronic data” or “electronic media”.
 - b. Subparagraph **(7)(c)** is amended to include the following:

However, this exclusion does not apply to:

 - (1) Your “stock”; or
 - (2) Your Business Personal Property that is covered under the **Coverage Extension Personal Effects and Property of Others**;

while such property is at a described premises.
8. Exclusion **2.e. Explosion of Steam Boilers** does not apply to the following Coverage Extensions:
 - a. Accounts Receivable;
 - b. Fine Arts;
 - c. Personal Property In Transit; or
 - d. Valuable Papers and Records.
9. Exclusion **2.i. Discharge, Dispersal, Seepage, Migration, Release or Escape of “Pollutants”** does not apply to the following:
 - a. The following Coverage Extensions:
 - (1) Accounts Receivable;
 - (2) Fine Arts;

- (3) Personal Property In Transit;
- (4) Valuable Papers and Records; or
- b. Your Business Personal Property that is “electronic data processing equipment”, “electronic data” or “electronic media”.

B. Section B. Exclusions, item 4., Special Exclusions is amended as follows:

Paragraph **b.** is deleted and replaced by the following:

b. Leasehold Interest Additional Coverage

- (1) Exclusion **1.a. Ordinance or Law** does not apply to the Leasehold Interest Additional Coverage as provided in this endorsement.
- (2) We will not pay for any loss caused by:
 - (a) Your canceling the lease;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.

C. Section B. Exclusions, item 5., Additional Exclusion is amended to read **5. Additional Exclusions** and to include the following:

- 1. Solely with respect to the **Fine Arts Additional Coverage** as provided in this endorsement, the following exclusion is added:

We will not pay for loss or damage caused by or resulting from any repairing, restoration or retouching of Fine Arts.

- 2. Solely with respect to the **Valuable Papers and Records Coverage Extension** as provided in this endorsement, the following exclusion is added:

We will not pay for any loss caused by or resulting from errors or omissions in processing or copying the papers and records. But we will pay for loss or damage caused by a resulting fire or explosion

- 3. Solely with respect to the **Personal Property In Transit Coverage Extension** as provided in this endorsement, the following exclusion is added:

We will not pay for any loss or damage:

- a. Caused by or resulting from rough handling, or poor or insufficient packaging or packing; or
- b. If you impair our rights to recover from any carrier for hire. But you may accept from carriers for hire bills of lading, receipts or contracts of transportation which contain a limitation of value.

- 4. Solely with respect to the **Accounts Receivable Coverage Extension** as provided in this endorsement, the following exclusion is added:

We will not pay for:

- a. Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking, or withholding of money, securities, or other property. However, this exclusion applies only to the extent of the wrongful giving, taking, or withholding;
- b. Bookkeeping, accounting or billing errors or omissions; and
- c. Loss that requires any audit of records or any inventory computation to prove its factual existence.

D. Solely with respect to the Additional Coverage Earthquake and Volcanic Eruption for Specified Property as provided in this endorsement, the following amendments to the Coverage Part apply:

- 1. To the extent that exclusion **1.b. Earth Movement** of Section **B. Exclusions** might conflict with coverage provided under Additional Coverage Earthquake and Volcanic Eruption for Specified Property, the exclusion does not apply.
- 2. The following additional exclusions apply to Additional Coverage **Earthquake and Volcanic Eruption for Specified Property**:
 - a. We will not pay for loss or damage caused directly or indirectly by tidal wave or tsunami, even if attributable to an Earthquake or Volcanic Eruption.
 - b. We will not pay for loss or damage caused by or resulting from an Earthquake that begins before the inception of this insurance.
 - c. The Ordinance or Law Exclusion in this Coverage Part continues to apply with respect to any loss under this Coverage Part including any loss under this Additional Coverage except to the extent that the Additional Coverage - Ordinance or Law Coverage applies.

- d. We will not pay for loss of or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from an Earthquake or Volcanic Eruption. However, this limitation does not apply if less than 10% of the total outside wall area of property covered under this Additional Coverage is faced with masonry veneer (excluding stucco).
3. Section **D. Additional Coverage - Collapse** in the Causes of Loss - Special Form does not apply to the coverage provided under the Additional Coverage **Earthquake and Volcanic Eruption for Specified Property**. The Additional Coverage **Earthquake and Volcanic Eruption for Specified Property** includes coverage for collapse caused by Earthquake or Volcanic Eruption.
- E. Solely with respect to the Additional Coverage **Flood for Specified Property** as provided in this endorsement, the following the following amendments to the Coverage Part apply:
 1. To the extent that exclusion the following exclusions of Section **B. Exclusions** might conflict with coverage provided under Additional Coverage **Flood for Specified Property**, the exclusion does not apply:
 - a. Exclusion **1.g. Water**; and
 - b. Exclusions **2.f.** and **2.g.**
 2. The following additional exclusions apply to the Additional Coverage **Flood for Specified Property**:
 - a. To the extent that a tsunami causes the overflow of tidal waters, the exclusion of earthquake in Subparagraph **(1)** of Section **B. Exclusions, Earth Movement**, does not apply.
 - b. We will not pay for any loss or damage caused by or resulting from any Flood that begins before or within 72 hours after the:
 - (1)** Inception date of this Coverage Part; or
 - (2)** The effective date of Additional Coverage **Flood for Specified Property**;
 whichever is later.
 However, this limitation does not apply to a particular location if Additional Coverage **Flood for Specified Property** or Flood coverage was in effect for that location for at least 72 hours immediately prior to the inception date of this endorsement, under a policy issued by us or by another insurer, and this policy replaces the previous policy without a lapse in coverage. If you request and we provide an increase in the stated Limit of Insurance for Flood during the term of this policy, with the exception of an increase at the time of renewal of the policy, the increase will not apply to loss or damage from any Flood that begins before or within 72 hours after your request was made.
 - c. We will not pay for loss or damage under **Additional Coverage Flood for Specified Property** caused by discharge of water or waterborne material from a sewer, drain or sump unless such discharge results from Flood and occurs within 72 hours after the Flood recedes.
 - d. The Ordinance or Law Exclusion in this Coverage Part continues to apply with respect to any loss under this Coverage Part including any loss under this Additional Coverage except to the extent that the Additional Coverage - Ordinance or Law Coverage applies.
 - e. We will not pay for loss or damage caused by or resulting from destabilization of land arising from the accumulation of water in subsurface land areas.
 - f. We will not pay for the cost of restoring or remediating land due to the collapse or sinking of land caused by or resulting from Flood.
 However, coverage under the Additional Coverage **Flood for Specified Property** includes damage to the covered portions of a building or structure and to covered property, caused by collapse or sinking of land along the shore of a body of water as the result of erosion or undermining caused by waves or currents of water which exceed the cyclical levels and cause Flood.
 - g. We will not pay for loss or damage caused by Flood to covered property in the open except to the extent that such property is a building or structure covered under the Additional Coverage **Off Premises Automatic Teller Machines (ATMs) and Interactive Teller Machines (ITMs)**.
 - F. Section **C. Limitations** is amended as follows:
 Paragraph **2.b.** is deleted and replaced by the following:
 - b. Fragile articles such as glassware, statuary, marbles, chinaware and porcelains. This restriction does not apply to:
 - (1)** Glass (other than art glass windows or stained glass) that is part of a covered building or structure;
 - (2)** Photographic or scientific instrument lenses; or
 - (3)** The Fine Arts Additional Coverage.

State:	District of Columbia	First Filing Company:	Berkley National Insurance Company, ...
TOI/Sub-TOI:	01.0 Property/01.0001 Commercial Property (Fire and Allied Lines)		
Product Name:	General Risk Program Commercial Property Coverages		
Project Name/Number:	CP FPP Filing - Forms Information/BSS-CF-2016-5192-FM-DC-18318		

Supporting Document Schedules

Satisfied - Item:	Readability Certificate
Comments:	Acknowledge - Refer to Form Schedule tab.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Consulting Authorization
Bypass Reason:	N/A to this filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Copy of Trust Agreement
Bypass Reason:	N/A to this filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Expedited SERFF Filing Transmittal Form
Bypass Reason:	N/A to this filing.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Filing Memo
Comments:	
Attachment(s):	FIN CP Form Filing Memo.pdf
Item Status:	
Status Date:	

**BERKLEY NATIONAL INSURANCE COMPANY
BERKLEY REGIONAL INSURANCE COMPANY
STARNET INSURANCE COMPANY**

GENERAL RISK PROGRAM - COMMERCIAL PROPERTY COVERAGES

FORM FILING MEMORANDUM

MULTISTATE

Berkley National Insurance Company (BNIC), Berkley Regional Insurance Company (BRIC) and Starnet Insurance Company (SIC) are amending the Commercial Property Coverages under their General Risk Program as described below.

New Endorsements

We are submitting the following new endorsements for your review.

CP 83 62 04 17 - Financial Institutions Property Enhancement Endorsement

This endorsement modifies the Building and Personal Property Coverage Form, Business Income (and Extra Expense) Coverage Form and the Causes of Loss - Special Form. Various provisions are modified and/or added to enhance the coverages provided to risks typically written in the financial institution industry.

CP DS 83 62 04 17 - Financial Institutions Property Enhancement Endorsement Schedule

This Schedule accompanies the Financial Institutions Property Enhancement Endorsement, CP 83 62. The limits of insurance applicable to the various coverage enhancements are identified in this Schedule. The Schedule identifies which coverage and corresponding limit applies at the policy level and/or location level. A blanket limit of insurance is available for Ordinance or Law, Valuable Papers and Records, Fine Arts and Accounts Receivable coverage. The Schedule also contains a section to identify specific locations that are excluded from the coverage enhancements contained in CP 83 62.